HQDA G-1 Incentives Branch

Jerry Pionk- Chief, HQDA G-1, Incentives Branch

"My biggest strategic issue is, 'What kind of volunteer Army do we need to recruit for the future?'"

-GEN Peter Schoomaker, CSA (18 Dec 03)

Major Programs

Incentives and Budget Branch

- **Manages Army enlisted accessions incentive programs: Army College Fund, Enlistment Bonuses, Loan Repayment, College First**
- **Develops and reviews initiatives regarding additions and changes to incentives law, policy, and operations including drafting and reviewing legislation**
- **Chairs the Enlisted Incentive Review Board ensuring the proper incentive structure to meet accession targets, MOSs, and quality**
- **Reviews and coordinates Selected Reserve Incentive Program**
- **Represents Army interests with respect to MGIB to Veterans Administration and Army Family Action Plan Councils**
- **Collects and analyzes incentive data and provides information on trends to Army leadership, OSD, OMB, and Congress**
- **Develops, justifies, and defends requirements for Active Army incentive programs including what-if drills for end strength increases**
- **Defends and acquires, as necessary, funding throughout POM, Budget, and Execution years; monitors execution and cost per recruit**
- **Responds to White House, Veterans Administration, Congressional, and other inquiries**
- **Develop and update performance metrics for POM, PB, SRS, and Army Executive Council**
- **Serves as liaison to Commands for funding needs with respect to operation and maintenance appropriation**

Incentives and Budget Branch

Mr. Pionk
Branch Chief

Maj. Sampson
Mgr, RC Enl Incentives
USAR & NGB, SRIP, MGIB, Bonus, LRP

Mr. Song (GS 13)
Budget Analyst
AC and RC Budget

Ms. Coleman (GS 13)
Program Analyst
Metrics, College First, ACF, LRP, MGIB

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Agenda

- FY07 Recruiting Status
- Initiatives, Changes and Budget (FY06 and FY07)
- Pending Legislative Initiatives (FY08 and FY09)
- SMART, Advantage Fund

Recruiting Environment

- All-Volunteer Force at War
- Negative Media Coverage
- Greater Role by Influencers
- Improving Economy
- College Aspirations (95%)*
- Reserve Recruiting is Difficult

• In October 2006, 68.6 percent of high school graduates from the class of 2006 were enrolled in colleges or universities, according to data released today by the U.S. Department of Labor's Bureau of Labor Statistics. The college enrollment rate for recent high school graduates was a **historical high** for the series dating back to 1959. **U.S. Bureau of Labor Statistics**

Key Messages

Summary of Performance (YTD)

- Recruiting an all-volunteer force during a protracted conflict
- Recruiting momentum continues for RA, USAR is at risk
- 100% High School graduates or equivalents
- Less than 3 out of 10 youths (17-24 year olds) are fully qualified
- Slight increase in waivers over the last 4 years (1-2% each year)
- More than an Army challenge – a challenge for the Nation

FY07 Current Status

	Recruiting YTD % achieved (YTD Delta)	Accessions YTD % achieved (YTD Delta)	Retention YTD% achieved (YTD Delta)	Strength (Delta from Prev Month)	Remarks
Active	108% **12,906/12,000 (+906)** G (as of EOM DEC 06)	108% **12,906/12,000 (+906)** G (as of EOM DEC 06)	104% **16,196/15,549 (+647)** G (as of EOM DEC 06)	502.5K **(-5.1K)** R (as of EOM DEC 06)	•Exceeded 1st Qtr recruiting goal. •Retention program remains strong. •Strength decrease is normal for DEC. •On glidepath to meet 518.4K ES. •**84K mission (vs. 80K) will pose challenges**
USAR	87% **3,356/3,875 (-519)** R (as of EOM DEC 06)	91% **5,283/5,777 (-497)** R (as of EOM DEC 06)	113% **4,907/4,480 (+427)** G (as of EOM DEC 06)	18[illegible]K **(- 0.7K)** R (as of EOM DEC 06)	•1st Qtr recruiting shortfall. •Reviewing add'l incentives and policy changes to correct shortfall. •Retention program remains strong. •Strength decrease is normal for DEC.
ARNG	121% **14,696/12,170 (+2,526)** G (as of EOM DEC 06)	118% **15,399/13,036 (+2,363)** G (as of EOM DEC 06)	127% **8,855/6,963 (+1,892)** G (as of EOM DEC 06)	347.1K **(+ 0.7K)** A (as of EOM DEC 06)	•Recruiting and retention programs remain strong. •Losses remain above program / negative impact on ES •Extension / Re-Mob may impact strength operations

Rec & Ret		Strength
≥ 100%	G	≥ 100% of ES
≥ 95%	A	≥ 98% of ES
< 95%	R	< 98% of ES

As of EOM DEC 06 (as of EOM DEC 06)	RA	USAR	ARNG
Recruiter (Strength/Auth)	**6,557/6,279**	**1,748/1,774**	**4,800/4,900**
YTD Gross Write Rates:	**1.19**	**1.53**	**1.03**

Review of Major Legislation

- **Approved (FY06)**
  - **Limited MGIB Transferability (Army implemented in FY06)**
  - **Continue to seek Congressional support for improved programs – Approved in NDAA06**
    - **Enlistment bonus raise from $20K to $40K (AC)**
    - **Enlistment Bonus raise from $10K to $20K (RC)**
    - **Referral Bonus ($1K)**
    - **Transition Bonus ($2.5K or more)**
    - **Increase Initial Entry Enlistment Age to 42**
    - **Enhanced Student Loan Repayment (Include State and institutional loans and expand to include officers)**
    - **Obtain permanent authority for $20K AC to RC affiliation bonus**
    - **TSP matching Test**
- **Approved (FY07)**
  - **Enhanced Referral Bonus (to $2K, include retirees, DA civilians)**
  - **$8K OCS Bonus (NPS) retroactive to April 2005.**
  - **Inter-service Transfer Bonus raised from $2.5K to $10K (officers)**

Actions for FY07

PROGRAM	ACTION / STATUS
$2K Referral	Extend to 2010, increase from $1K to $2K, include DA Civilians and change payment times
Guard-Recruiter Assistance Program (G-RAP)	ARNG program; expand and fund contract to include Active and Army Reserve accessions
JROTC	Expand Junior Reserve Officer Training Corps program
STRATCOMs and Advertising	Increase awareness of recruiting and Army initiatives/incentives by better coordination/synchronization between Office Chief of Public Affairs (OCPA), Army Brand Group (ABG), Ad Agency, & Public Affairs Office (PAO) messages
Market Expansion and/or Penetration	Target more populations/age groups with greater propensity – Hispanics and 2 years out of high school (mail outs and advertising)
Technology	Expand use of wireless remote laptop – job/location selection – Future Soldier Remote Reservation System (FSR2S)
NDAA06 Pilot Programs:	
Army A[illegible]	Army Staffing
Officer Accession Bonus	Army Staffing

Incentives Update (26 February 2007)
No program changes except Airborne

- **Ship Bonus**
  - $3K – All incentivized MOSs within 60 days of ship
  - $6K – All incentivized MOSs within 30 days of ship at levels 4-7 and selected level 8
  - $10K- All Incentivized MOSs within 30 days at levels 1-3
  - 15K- All incentivized MOS within 30 days designated as high priority fill.

  - Tier I/IIIBs and Tier II/I-IIIA eligible for all 11X, 13B, 13F, 19D, 19K, and 97E and QS bonus
- **Airborne Bonus- Eliminate for all MOS**
- **ACASP Bonus ($5K)** - All incentivized ACASP MOSs
- **Hi Grad Bonus –** All incentivized MOSs: $2K/30 hours; $4K/60 hours; $5K/2 yr degree; $6K/4 yr degree
- **HSSR/HSDG current year Bonus- $1K (Not currently offered)**
- **Restrictions** - 2 or 3 year TOS MAX $6K; $20K with DMPM approval , 4 -6 year TOS MAX $40K

  $20K 3 year TOS cap for selected MOSs: Current list 11X, 13B, 13F, 14J, 89D, 92F
- **Army College Fund ($73,000 OSD/Law)-** All incentivized MOSs eligible; Tier I/IIIB & Tier II/I-IIIA eligible select MOSs.
- **Loan Repayment Program ($65,000/ Army) -** All incentivized MOSs eligible ; Tier I/IIIB & Tier II/I-IIIA

Pending legislation

FY08

- RC Student Loan Repayment (Equity with RA Statute)
- Enhanced Referral Bonus: Add DoD Civilians and Other Services
- Expand MGIB transfer to non-critical skills

FY09

Initiator	
• VEAP Conversion (one last chance)	AFAP
• Consolidate PSEB and AC to RC Bonus into one authority	G-1
• Tuition Assistance for adult Dependents	FORSCOM/G-1
• MGIB delimiting date (Change from 10 years to 20)	AFAP
• Days of Service (DOS) eligibility for RC NPS bonus	G-1
• Combine Army Coll. Fund and Loan Repayment	G-1
• Chapter 1607 MGIB- make cumulative for credit	RC-HRC
• Raise MGIB-SR stipend to 50% of MGIB-AC	NGB/USAR

$2K Referral Bonus- Current

- SecArmy has the authority (National Defense Authorization Act 2007) to pay a $2,000 bonus in two payments to a member of the Army and Army retirees①, whether in the regular component or in the Army National Guard or Army Reserve, who refers to an Army recruiter a person who has not previously served in an Armed Force. The $2K will be paid after the referral enlists in the regular component of the Army or in the Army National Guard or Army Reserve, and successfully completes basic training ($1K payment) and One Station Unit Training (OSUT) or Advanced Individual Training (AIT) ($1K).

① Members of the Army and Army Retirees that are serving as instructors or administrators in the Junior Reserve Officer Training Corps (JROTC) program are not eligible to participate.

- Army Civilian employees will begin participating in the program once the administrative procedures for payment are complete.
- Referrals under this program will be made via the Sergeant Major of the Army Recruiting Team (SMART) referral process.

The Army Incentives Fund

- Proposal by Office of SECDEF:
  - Change law from “bonuses” to “incentives” (Expands the possibilities)
  - Permit Service Secretary to define programs across the spectrum with statutory constraints (Provides flexibility to manage to unique service needs)
- Army Plan:
  - Offer a “Buffet” or choice of combined options at enlistment and reenlistment.
  - The applicant/Soldier will “Pick and Choose”
  - Benefit combinations dictated by law, but will accrue throughout a career through a “life cycle” incentives package for all components (AC and RC)
  - Possible combinations: (Current or proposed Maximum)
    - **Enlistment or reenlistment bonuses ($40K EB/$90K SRB)**
    - **Tax free down payment on a home (up to $45K)**
    - **Small business start up stipend (up to $45K)**
    - **Army College Fund**
    - **Student Loan Repayment**
    - **MGIB Flexibility and transferability**

Army Advantage Fund

- As a result of Section 681 of the NDAA FY06, the Army is authorized to implement a three year demonstration on four new recruitment incentives to encourage individuals to accept commissions as officers or enlist in the Army. **The Secretary of the Army's intent is to implement AAF as one of the incentives.**

- **Purpose**. The Army is testing this flexible incentive to gain a competitive advantage for attracting eligible individuals to enlist who would have otherwise rejected the Army as a career choice. The incentive is designed to recruit prospects into critical military occupational skills (MOS).

- **Pilot Program Description**. The AAF incentive pilot program is to offer a lump sum that is tied to a four year term of service in a critical MOS. The AAF is composed of two options: Army Home Ownership or Army Business Funding. At a minimum, individuals must complete either their term of service or serve at least thirty-six months and be separated under honorable conditions to be qualified for the incentive payment.

Army Advantage Fund

- **Program Scope and Qualifications.** The AAF incentive is open to 500 prospects who accept initial enlistments into the Active Army component. During the pilot program, the Army will fund the 500 takers for a four year enlistment at $30,000 per offer only.

- **The incentive amount** will be $30,000 for a four year enlistment while under pilot status. As a permanent program, the Army will tier the offer based enlistment length. While under the authority of Sec 681, the offering may be combined with quick ship bonus.

Effective Date: TBA during FY07

Summary

- Recruiting and Retention incentives for all components are under scrutiny
- Changing times requires the Army to confront realities
- Monetary incentives are not the only answer
- Streamlining incentives should facilitate self actualized career management from entry to separation/retirement
- Statutes must be flexible for managers to make decisions, but stringent enough to assure accountability
- Integration of the RC must become more than a sound bite- it must become reality
- The field force (counselors) must be thinking futuristically- the present is important (mission), but the future must be beyond GWOT- remember what happened after the first Gulf War (Peace Dividend?)

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